New Era Cap to Close Derby Manufacturing Plant

192 PPMWS Members to be Displaced

Baseball cap manufacturer, New Era will cease operations in Derby, NY, in early 2019, says Chris Koch, New Era CEO. The upstate NY plant employs 192 CWA Local 14177 members.

In a statement to the Buffalo News, Erin Bowie, a CWA Representative working with Local 14177, said, “It’s just very devastating to the workers at the plant and in the community. We have a lot of people who have worked there for over 40 years, families that work there, people who work there that is the only job they’ve held.”

“This is extremely difficult for me,” Koch said in a statement. “I grew up in Derby and worked in the facility, which has had a long, productive history with the company. Even as other sports apparel brands moved away from running their own manufacturing plants, we continued making caps at our facility in Derby. But I have an obligation to our employees, partners and customers to ensure the long-term success of this company, and we need to keep pace with changes in our industry.”

That change, according to company executives, is to move towards branding and marketing and away from manufacturing.

The company will likely move most manufacturing outside the United States with the exception of the hats it makes for Major League Baseball, which it is contractually obligated to manufacture in America. Those products will be produced at the Company’s non-union Miami-based plant.

Asked about the closing, Senate Minority Leader Charles Schumer, who represents New York said, “This is devastating news for Buffalo. I sincerely hope that New Era, a hometown Buffalo company, will reconsider. Instead of closing down the Derby facility, New Era should immediately sit down with me, New York State and other elected officials to craft a package that would keep these jobs right here in Derby, where they belong. We hope New Era will reevaluate and take us up on this offer straightaway.”

In August 2016, the company signed a deal with the Buffalo Bills for naming rights for the NFL team’s stadium. The seven-year agreement seems to support the company’s claim that it is focusing on branding and marketing and getting out of the manufacturing business.

“I am very disappointed to hear that New Era has chosen to close its Derby plant,” said Printing, Publishing and Media Workers President Dan Wasser.

Mailers Local M-81 represents approximately 145 Journeymen A mailers, Journeymen B mailers, and part-time Helpers at the Buffalo News in upstate New York.

The company issued its first proposal in late October, in which it states that the package is “mutually dependent,” and if any portion of the package is rejected, “then it is expected that the Company’s proposal regarding other components will be withdrawn or modified.”

Mailers Local M-81 President Joe Cannizzaro was taken aback by the proposal presented to the union.

“There isn’t one union at the Buffalo News that has done more to help this company than the Mailers,” said Cannizzaro. “I’m appalled at these absurd proposals.”

Cannizzaro says that the day after the company met with the union and presented its written proposal, it sent a letter to all retirees cancelling their health care.

“Some of these people are in their 80s and our members have paid into this health care fund for the better part of 40 years.”
Buffalo News Negotiations

The company is proposing to change retiree compensation for shifts worked to the Helper rate; to establish new wage tables; to change overtime to only hours beyond 40 in a week; to eliminate double time for Sunday work; to eliminate advance payment for vacations and vacation bonuses; to modify vacation usage provisions; to modify health insurance provisions, including change to employer paying only for high deductible plan; to revise disability provisions to match NYS statutory disability benefits; and to eliminate medical coverage for retirees.

When discussing the proposal, Cannizzaro lamented, “The company has proposed massive pay cuts even though the union gave them three pay tiers, with a 90 percent ratio of Helpers to Journeymen, on top of a second pay grade of Journeymen at 72 percent of Journeymen A.”

As well, Cannizzaro says, “Over the years we have made a lot of concessions for the Buffalo News. We allowed the Typographical Union workers who were displaced due to pagination, but had lifetime job guarantees to work in the mailers’ shop so the company could fulfill its contractual obligations to the Typographical Union. We allowed the company to outsource our jurisdictional work in Total Market Coverage to drive out a competitor, Ad Vo. Time and again, we have worked with the News to help them and this is the thanks that we get?”

The Buffalo News is owned by the Berkshire Hathaway, Inc., a multinational conglomerate holding company. Berkshire Hathaway is known for the control and leadership of Warren Buffett, who serves as chairman and chief executive. The company is the third largest public company in the world, the ninth largest conglomerate by revenue, Buffett is reportedly the third richest man in the world.

Berkshire Hathaway purchased the Buffalo Evening News in 1977, later shortening its name to the Buffalo News.

Court Split on Local Right-to-Work Laws; May Head to Supreme Court

While courts have held that the National Labor Relations Act allows states to enact right-to-work laws, it does not authorize local municipalities to do so, said the U.S. Court of Appeals for the Seventh Circuit, in Chicago. The Court held that local municipalities cannot enact right to work ordinances in Illinois. Local 399 v. Village of Lincolnshire.

This Seventh Circuit decision is contrary to the Sixth Circuit’s holding in United Automobile, Aerospace, and Agricultural Implement Workers of America Local 3047 v. Hardin County, Kentucky, creating a split that the U.S. Supreme Court will likely be called on to resolve.

Illinois has not enacted a right-to-work law and with the election of Governor J.B. Pritzker, it is unlikely to enact one soon. However, in 2015, the Village of Lincolnshire in Illinois enacted a local ordinance with a right-to-work provision.

Several unions challenged the ordinance in federal district court, arguing the NLRA preempted the ordinance. In 2017, the federal district court ruled the NLRA preempted the ordinance and the Village appealed.

The Court decision said that employers operating within multiple local jurisdictions with varying ordinances might be placed in the “impossible position” of having to risk an unfair labor practice charge for refusing to bargain over a union shop clause or civil and criminal penalties for violating the ordinance. The Seventh Circuit’s decision relied on the potential for “other administrative nightmares” based upon the sheer number of local jurisdictions in Illinois.

The Seventh Circuit also ruled that the NLRA preempted two other provisions of the Village’s ordinance, which restricted the use of union hiring halls and dues checkoff.

Until the Supreme Court settles the issue, municipalities in Illinois, Indiana, and Wisconsin (which are covered by the Seventh Circuit) are prohibited from passing local right-to-work laws, while those in Kentucky, Michigan, Ohio, and Tennessee (which are covered by the Sixth Circuit) are free to adopt right-to-work laws.
Privatization of the United States Postal Service Would Hurt Average Americans

Privatizing the United States Postal Service is not a new idea – the idea has been floating around for many years – and most Americans are against the idea. A recent poll by the Pew Research Center shows that 88 percent of the population has a favorable view of the Postal Service. But still, there are Wall Street profiteers and their cronies in Congress who are intent on telling the public that that privatization is necessary to save the postal service.

The idea they keep trying to sell is that the current USPS is unprofitable. That’s not true. In 2006, Congress enacted a postal-service “enhancement” provision requiring the public postal corporation pre-fund the health and pension benefits for all postal-service retirees 75 years in advance. That costs the Postal Service $5.6 billion a year—and that’s the red ink.

But the USPS, which doesn’t use a dime of taxpayer money, is profitable. If you remove the pre-funding burden, the USPS consistently earned profits from its operations over the past several years. Since 2014, it has posted operating profits totaling $2.7 billion — a healthy average of $900 million a year.

Privatization of postal service won’t just hurt postal employees and their families. It will also hurt the average American. A public Postal Service delivers to every address in the United States at a set price. A private postal service would not.

According to President Trump’s in-house task-force on privatization, the public cost is in their restructuring proposal. They candidly presented privatization as a profiteering opportunity for a corporate cost-cutter:

“A private postal operator that delivers mail fewer days per week and to more central locations (not door delivery) would operate at substantially lower costs,” says their proposal. “A private entity would also have greater ability to adjust product pricing in response to changes in demand or operating costs. Freeing USPS to more fully negotiate pay and benefits … and allowing it to follow private sector practices in compensation and labor relations could further reduce costs … (and) a privatized Postal Service would be more insulated from politics.”

From this statement, one can glean that:

- Instead of guaranteed six-day delivery, you’d get your mail fewer days per week.
- You may have to drive at least a couple of miles to collect it.
- Postal service could cost more based on demand.
- And “insulating” a corporate mail service from politics means shutting out customers, workers, and communities from having a say in the postal service.

The U.S. Constitution, Article 1, section 8, gives the U.S. Congress, not private enterprises, the power to establish post offices. The 1970 Postal Reorganization Act says that “the Postal Service shall have as its basic function the obligation to serve all the people of the United States at a set price. A private postal service would plug into the idea. A recent poll by the Pew Research Center for many years – and most Americans are against

Unions Win ULP Against Pittsburgh Post-Gazette

In a recent ruling, Administrative Law Judge David Goldman sided with unions representing workers at the Pittsburgh Post-Gazette on their Unfair Labor Practice (ULP) filing, in which the unions claimed that the Post-Gazette had refused to pay the previously negotiated amount to the collectively-bargained Taft-Hartley health and welfare benefit fund.

Beginning on January 1, 2015, per the collective bargaining agreement in place, the employees’ health care coverage was to be provided through a plan sponsored by a Taft-Hartley health and welfare benefit fund, paid for by the PG Publishing Co., also known as the Pittsburgh Post-Gazette.

In March 2017, the collective bargaining agreement expired, however, under the law, the employer and unions are required to operate under the status quo, following the terms and conditions of employment outlined by the expired agreement, while parties negotiate for a new labor agreement.

The agreement stipulated that the company would cover any employee increase in fund contributions over five percent.

The company initially complied with the terms, and continued to pay into the fund until January 2018, when they unilaterally refused to pay the increase. As a result, the fund reduced the health care benefits for the employees beginning in April 2018.

The unions then filed an Unfair Labor Practice complaint arguing that the “employer’s 2018 discontinuance of the annual increases up to $5,000—which resulted in a reduction of the existing level of health care benefits for employees—constitutes an unlawful unilateral change in terms and conditions in violation of Section 8(a)(5) and (1) of the National Labor Relations Act.

In his decision, Judge Goldman found the Post-Gazette had violated the NLRA and ordered the company to “reinstitute payments of annual increases to the Fund and make the Fund and employees whole by making all deleinquent Fund contributions on behalf of those employees, including any additional amounts due the fund.”

As well, Judge Goldman ordered the company to post an appropriate informational notice to employees and distribute the information electronically. “This is a big win for our members,” said Printing, Publishing and Media Workers Sector President Dan Wasser. “We have been in protracted negotiations with the company for a long time, and decent health and welfare benefits are a huge part what we are trying to secure for our members. The increases they were forced to endure when the company stopped paying were hitting these workers hard.

Many weren’t even bringing home a paycheck anymore, but simply covering the cost of their benefits.
**Representative Report**

**Steve Delanni, PPMWS Rep.**

**Duluth Mailers**

The Duluth Mailers, Local 14733, and the Superior Telegram have come to a final agreement for a new contract through December 31, 2020. The negotiations became more complex when the company decided to transfer the operation of the Telegram in Wisconsin to the same location as the News Tribune in Duluth, which triggered negotiations for a transition agreement as well. Due to the working conditions at the new location we were able to give the company additional flexibility to allow for better work flow. With these changes, the members were able to see a two-step wage increase along with a slight increase in work week hours and the flexibility to work mobile. Overall, the agreement benefits both sides.

**Detroit Typographical Union**

The Detroit Typographical Union, Local 14503, and RRD have come to an agreement that was ratified by the membership. The new agreement covers a three-year term through March 2021. This was the first bargaining to take place since RRD has acquired the EGT facility and the company started by looking for major givebacks. We were able to push them off many of their proposals and to keep language we thought was important in the contract. The new contract calls for guaranteed increases in years one and two of the agreement, improvements in the recordkeeping timeframe for employee files, pay scale adjustments for when an employee is moved temporarily to a higher paying role, a formula to get paid for the entire shift at the higher rates, and maintaining the current medical plan through the end of 2019. In addition, we were able to gain a severance provision with a maximum of 26 weeks, based on years of service.

**Kennebec Journal**

Local 14115 is gearing up to begin negotiations with the Kennebec Journal in the new year. They are hoping for a better round of negotiations this time since we have already negotiated a new contract with the new company, MTM Acquisition, Inc., during the last round of negotiations.